

## Message Text

SECRET

PAGE 01 ROME 05498 01 OF 05 241350Z  
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03  
NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06 EB-08  
OMB-01 TRSE-00 DOE-15 SOE-02 /087 W  
-----119781 241459Z /43

R 241145Z MAR 78

FM AMEMBASSY ROME  
TO SECSTATE WASHDC 1557  
INFO AMCONSUL FLORENCE

AMEMBASSY BONN

DIA

AMCONSUL GENOA

AMEMBASSY LONDON

AMCONSUL MILAN

AMCONSUL NAPLES

AMCONSUL PALERMO

AMEMBASSY PARIS

SHAPEUSNR

USCINCEUR VAIHINGEN GERMANY

USDOCOSOUTH

USMISSION USNATO

S E C R E T SECTION 1 OF 5 ROME 5498

USDOCOSOUTH FOR INTAF

SHAPEUSNR FOR POLAD

E.O. 11652: GDS

TAGS: PINT, IT

SUBJ: EVALUATION OF THE NEW GOVERNMENT

SUMMARY: THE PARTICULAR FEATURE OF THE NEW ONE-PARTY  
ANDREOTTI GOVERNMENT IS THAT FOR THE FIRST TIME SINCE 1947,  
IT INCLUDES THE COMMUNIST PARTY (PCI) AS ONE OF THE FIVE  
PARTIES THAT SUPPORT IT IN ITS PARLIAMENTARY OR GOVERNMENT  
SECRET

SECRET

PAGE 02 ROME 05498 01 OF 05 241350Z

MAJORITY. IN FORMALIZING ITS DETERMINING ROLE, THE PCI  
HAS WON THE FORMAL RIGHT TO BE CONSULTED ON GOVERNMENT  
POLICY, LEGISLATION AND NOMINATIONS (THE SPOILS), THEREBY  
THAT OVER FOREIGN AND DEFENSE POLICY). EVEN MORE  
IMPORTANTLY, WITH THE EXCEPTION OF POSSIBLE COSMETIC  
MODIFICATIONS, THE LATEST PCI ADVANCE MUST BE CON-  
SIDERED THE PENULTIMATE STEP TOWARD FULL PARTICIPATION

IN GOVERNMENT, A FACTOR OF GREAT PSYCHOLOGICAL VALUE  
IN TERMS OF THE PCI'S POLITICAL LEGITIMACY. ON THE  
OTHER SIDE OF THE LEDGER, THE DC DID AVOID A POLITICAL  
ALLIANCE WITH THE PCI AND ALSO MINIMIZED THE AP-  
PEARANCE OF THE PCI'S "FORWARD STEP" BY DENYING THE  
COMMUNISTS A SIGN OF "VISIBLE CHANGE" IN THE COMPOSI-  
TION OF THE NEW GOVERNMENT (REJECTION OF THE PCI  
PROPOSAL FOR TECHNICIAN MINISTERS). THE LATEST CRISIS  
HAS ALSO HARDENED ATTITUDES WITHIN THE DC AGAINST  
FURTHER CONCESSION TO THE PCI. HOWEVER, HAVING  
ACCEPTED THE PCI AS PART OF THE GOVERNMENT MAJORITY,  
THE DC WILL FIND IT MORE DIFFICULT TO ARGUE  
THAT IT CANNOT FORM A GOVERNMENT WITHOUT THE PCI,  
PARTICULARLY IN THE ABSENCE OF REALISTIC ALTERNATIVES.  
WHILE DC STRATEGY IS STILL FORMALLY PREDICATED ON THE  
HOPE THAT THE SOCIALISTS AND MINOR PARTIES CAN BE  
RECOVERED IN SOME FORM OF NON-COMMUNIST COALITION,  
SUCH PROSPECTS ARE STILL UNCERTAIN. THE CRISIS DEMON-  
STRATED THAT THE DC IS NOT PREPARED TO ACCEPT FULL  
PCI PARTICIPATION IN THE CABINET BEFORE GOING TO  
NEW ELECTIONS. GIVEN THE PRESENT TREND TOWARD A MORE  
POLARIZED ELECTORATE, HOWEVER, DC LEADERS ARE UNCERTAIN AS  
TO WHETHER ELECTIONS (DESPITE ANTICIPATED DC ELECTORAL  
GAINS) WILL RESOLVE THE POLITICAL STALEMATE. THE  
DC THEREFORE APPEARS TO BE TAKING AN INCREASINGLY  
FATALISTIC ATTITUDE TOWARD THE ULTIMATE NECESSITY

SECRET

SECRET

PAGE 03 ROME 05498 01 OF 05 241350Z

OF SHARING FORMAL GOVERNMENT POWER AND RESPONSIBILITY  
WITH THE PCI AT SOME POINT IN THE FUTURE. ALTHOUGH  
THEY HOPE THAT SUCH A DECISION CAN BE POSTPONED  
AS LONG AS POSSIBLE, THEIR CURRENT FEAR IS THAT  
THEY MAY EARLIER BE FORCED INTO AN EMERGENCY  
GOVERNMENT WITH THE PCI UNDER THE PRESSURES OF  
TERRORISM, DISORDERS, OR ECONOMIC DISLOCATION.

END SUMMARY.

1. NOTE: THIS ASSESSMENT DOES NOT TAKE INTO  
ACCOUNT THE POTENTIALLY FAR-REACHING EFFECTS ON  
THE FUTURE POLITICAL COURSE OF ITALY OF THE  
TERRORIST KIDNAPPING OF ALDO MORO, THE LEADER OF  
THE CHRISTIAN DEMOCRATIC PARTY (DC). CARRIED  
OUT ON THE DAY IN WHICH THE NEW GOVERNMENT WAS  
SCHEDULED TO PRESENT ITSELF TO PARLIAMENT, THE  
VIOLENT ABDUCTION OF THE PRINCIPAL ARCHITECT OF THE  
NEW GOVERNMENT IS SEEN BY MANY AS A DIRECT POLITICAL  
CHALLENGE TO THE FUNCTIONING OF THE STATE. IN  
ADDITION, SHOULD MORO NOT SURVIVE, HIS DIS-  
APPEARANCE FROM THE POLITICAL SCENE WOULD HAVE

UNSETTLING CONSEQUENCES IN VIEW OF HIS ROLE AS THE  
DC'S STRATEGIST AND PRIMARY INTERLOCUTOR WITH THE PCI.  
IT WOULD NOT BE POSSIBLE TO PREDICT AT THIS TIME,  
HOWEVER, HOW THE KIDNAPPING MIGHT INFLUENCE THE  
FUTURE COURSE OF EVENTS.

2. INTRODUCTION: THE NEW DC GOVERNMENT IS THE ISSUE  
OF ONE OF THE LONGEST GOVERNMENT CRISES IN POSTWAR  
HISTORY (54 DAYS). AS A REFLECTION OF THE CON-  
TINUED INABILITY OF THE TWO LARGE OPPOSING POLITICAL  
FORCES (THE DC AND THE PCI) TO FORM A TRADITIONAL  
PARLIAMENTARY MAJORITY, THE CRISIS WAS PRECIPITATED  
BY THE DEMAND OF THE LEFT PARTIES FOR THE FULL PARTI-  
CIPATION OF THE PCI IN THE GOVERNMENT IN ORDER TO

SECRET

SECRET

PAGE 04 ROME 05498 01 OF 05 241350Z

MEET THE EMERGENCY ECONOMIC AND PUBLIC ORDER NEEDS  
OF THE COUNTRY. IN RESPONSE TO THESE PRESSURES, THE  
PARTIES ULTIMATELY AGREED ON A COMPROMISE FORMULA  
IN WHICH THE PCI CONTINUES TO BE EXCLUDED AS A  
MEMBER OF THE GOVERNMENT BUT IS ACCEPTED, "EXPLICITLY  
AND CONTRACTUALLY," AS A FORMAL MEMBER OF THE PARLIA-  
MENTARY OR GOVERNMENT MAJORITY.

3. WHAT DID THE PCI GAIN? MORE THAN ANYTHING, THE  
PCI ACQUIRED A NEW AND HIGHLY SIGNIFICANT QUOTIENT  
OF POLITICAL LEGITIMACY. FOR THE FIRST TIME IN  
31 YEARS, THE COMMUNISTS HAVE BEEN ACCEPTED (ALBEIT  
ON AN EMERGENCY BASIS) AS FULL PARTNERS IN WHAT THE

SECRET

NNN

SECRET

PAGE 01 ROME 05498 02 OF 05 241402Z  
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03  
NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06 EB-08  
COME-00 TRSE-00 DOE-15 SOE-02 OMB-01 /087 W  
-----119909 241500Z /43

R 241145Z MAR 78

FM AMEMBASSY ROME

TO SECSTATE WASHDC 1558

INFO AMCONSUL FLORENCE

AMEMBASSY BONN

DIA

AMCONSUL GENOA

AMEMBASSY LONDON

AMCONSUL MILAN

AMCONSUL NAPLES

AMCONSUL PALERMO

AMEMBASSY PARIS

SHAPEUSNR

USCINCEUR VAIHINGEN GERMANY

USDOCOSOUTH

USMISSION USNATO

S E C R E T SECTION 2 OF 5 ROME 5498

USDOCOSOUTH FOR INTAF

SHAPEUSNR FOR POLAD

DC PREFERS TO CALL A "PROGRAMMATIC-PARLIAMENTARY MAJORITY." IT WOULD BE ERRONEOUS TO UNDERESTIMATE THE POLITICAL VALUE (FOR THE PCI'S BASE, TO THE ITALIAN PUBLIC, AND IN THE INTERNATIONAL COMMUNITY) OF THIS "FURTHER STEP" TOWARD FULL PARTICIPATION IN GOVERNMENT. IN A COUNTRY WHERE THE ELECTORATE PARTICULARLY REWARDS SUCCESS AND PUNISHES SETBACKS, THE COMMUNISTS SUCCEEDED IN MAINTAINING THE HIGHLY

SECRET

SECRET

PAGE 02 ROME 05498 02 OF 05 241402Z

IMPORTANT MOMENTUM OF THEIR GRADUAL AND SEEMINGLY INEXORABLE ADVANCE TOWARD POWER. FURTHERMORE, THE AGREEMENT AT THE NATIONAL LEVEL EITHER HAS OR IS ABOUT TO TRIGGER SIMILAR ADVANCES OF THE PCI IN THE LEGISLATIVE MAJORITIES AT REGIONAL AND PROVINCIAL LEVELS: SICILY, CALABRIA, PUGLIA, CAMPANGNA AND LOMBARDY. EVEN IN THOSE DC POLITICAL CIRCLES WHICH IN PAST WEEKS HAD TALKED TOUGHLY OF THE NEED TO AVOID ANY FURTHER CONCESSION TO THE PCI EVEN AT THE RISK OF NEW ELECTIONS, THE REACTION TO THE LATEST ARRANGEMENT HAS BEEN ONE OF RESIGNATION AND QUIET ACCEPTANCE. THERE IS A WIDESPREAD TENDENCY TO MINIMIZE UNCERTAINTIES AND APPREHENSIONS ABOUT THE PCI AND TO PUT THE BEST POSSIBLE FACE ON THE POLITICAL IMPLICATIONS OF THE AGREEMENT.

4. IN FORMALIZING ITS DETERMINING ROLE, THE PCI CANNOT ALSO BUT INCREASE ITS POLITICAL WEIGHT AND INFLUENCE IN THE NEW ANDREOTTI GOVERNMENT. EVEN IF NO SIGNIFICANT LEGISLATION (AND INDEED, EVEN MARGINAL

BILLS) WERE ENACTED BY ANDREOTTI'S PREVIOUS GOVERNMENT WITHOUT THE GENERAL CONCURRENCE OF THE PCI, THE PCI'S INFLUENCE ON THE NEW GOVERNMENT'S LEGISLATIVE PROGRAM WILL BE ENHANCED. AS A MEMBER OF THE PARLIAMENTARY MAJORITY, THE PCI MUST NOW BE FORMALLY CONSULTED. IT WILL PARTICIPATE IN PERIODIC SESSIONS WITH THE PRIME MINISTER TO REVIEW ALL DRAFT LEGISLATION BEFORE ITS INTRODUCTION IN PARLIAMENT. THERE IS A DANGER THAT IT MAY RECEIVE GREATER SHARE OF THE POLITICAL SPOILS (NOMINATIONS TO DIRECTORSHIPS IN THE LARGE PUBLIC SECTOR, BANKS AND CREDIT INSTITUTIONS, RADIO AND TELEVISION). THERE IS ALSO THE RISK THAT IT MAY EXERCISE A GREATER CONDITIONING INFLUENCE ON GOVERNMENT POLICY (INCLUDING FOREIGN SECRET

SECRET

PAGE 03 ROME 05498 02 OF 05 241402Z

POLICY) AND NOMINATIONS.

5. FINALLY, THE PCI ACHIEVED SOME SPECIFIC OBJECTIVES WHICH ARE OF IMPORTANCE TO THE PARTY'S FURTHER ADVANCEMENT. THE PCI ATTACHED GREAT SIGNIFICANCE TO THE AVOIDANCE OF CERTAIN REFERENDA, SO MUCH SO THAT THE NEW GOVERNMENT APPROVED DRAFT LEGISLATION DESIGNED TO OBLIGE THE NEED FOR A REFERENDUM ON PUBLIC ORDER (THE REALE LAW) AT ITS FIRST CABINET SESSION EVEN BEFORE IT SOUGHT A VOTE OF CONFIDENCE FROM PARLIAMENT. HAVING VOTED AGAINST THE REALE LAW IN 1975, THE PCI EVIDENTLY REASONED THAT IT COULD NOT AFFORD TO OPPOSE THE LAW IN A REFERENDUM IN VIEW OF THE OVERWHELMING PUBLIC SUPPORT FOR TOUGHER PUBLIC ORDER LEGISLATION. THE AGREEMENT TO AVOID A POTENTIAL POLITICAL DEFEAT IN THE REFERENDA WAS THEREFORE OF CONSIDERABLE IMPORTANCE TO THE PCI.

6. ON THE OTHER SIDE OF THE LEDGER, THE PCI'S FORMAL ENTRY IN THE GOVERNMENT MAJORITY IN PARTNERSHIP WITH THE DC MAKES THE PARTY EVER MORE SUSCEPTIBLE TO PRESSURES ARISING FROM THE BASIC CONTRADICTION BETWEEN THE PCI'S GOVERNMENT ROLE AND THE ASPIRATIONS OF THE PARTY'S BASE FOR A GREATER SHARE OF POWER. SUCH PRESSURES WERE MANIFESTED FREQUENTLY DURING THE LAST ANDREOTTI GOVERNMENT (EVIDENCED MOST GRAPHICALLY BY THE DECEMBER METALWORKERS DEMONSTRATION THAT FIGURED HEAVILY IN THE PCI'S DECISION TO PRECIPITATE THE CRISIFILM) THE PCI HAS SO FAR AMPLY DEMONSTRATED THAT IT HAS THE DISCIPLINE AND ORGANIZATION TO CONTROL AND TO CHANNEL SUCH CRITICISM. AND, IF THE GOING GETS TOUGH, IT CAN ASSUAGE DISCONTENT BY SEEKING ANOTHER SLICE OF POWER.

7. THE CLAIM IS ALSO OFTEN MADE THAT THE PCI'S MORE

FORMAL PARTICIPATION IN GOVERNMENT WILL FORCE IT

SECRET

SECRET

PAGE 04 ROME 05498 02 OF 05 241402Z

SECRET

NNN

SECRET

PAGE 01 ROME 05498 03 OF 05 241417Z

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03  
NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06 EB-08  
COME-00 TRSE-00 DOE-15 SOE-02 OMB-01 /087 W  
-----120110 241502Z /45

R 241145Z MAR 78

FM AMEMBASSY ROME

TO SECSTATE WASHDC 1559

INFO AMCONSIA FLORENCE

AMEMBASSY BONN

DIA

AMCONSUL GENOA

AMEMBASSY LONDON

AMCONSUL MILAN

AMCONSUL NAPLES

AMCONSUL PALERMO

AMEMBASSY PARIS

SHAPEUSNR

USCINCEUR VAIHINGEN GERMANY

USDOCOSOUTH

USMISSION USNATO

S E C R E T SECTION 3 OF 5 ROME 5498

USDOCOSOUTH FOR INTAF

SHAPEUSNR FOR POLAD

TO ADOPT A RESPONSIBLE POSTURE TOWARD THE SOLUTION  
OF PROBLEMS, PARTICULARLY THOSE REQUIREING TRADE UNION  
SUPPORT. HERE THE EXPERIENCE OF THE LAST 20 MONTHS  
INDICATES THAT THE PCI HAS DEFTLY AVOIDED SPECIFIC  
PROGRAM COMMITMENTS ON THE TOUGH QUESTIONS REQUIRING  
RESOLUTION (LOCAL FINANCE, LABOR MOBILITY, INDUSTRIAL

REORGANIZATION, ETC.). IN FACT, IT HAS DEMONSTRATED  
THAT WHEN FACED BY THE CHOICE OF THE ADVANCEMENT  
SECRET

SECRET

PAGE 02 ROME 05498 03 OF 05 241417Z

OF ITS POLITICAL GOALS AND SUPPORT FOR COMMON PROGRAM  
OBJECTIVES, IT SELECTS FOR FORMER. LAST JULY'S  
PROGRAM ACCORD, TOUTED BY THE PCI AS THE MECHANISM  
NEEDED TO RESOLVE ITALY'S EMERGENCY ECONOMIC AND  
SOCIAL NEEDS WAS UNCELEBRATIONABLY ABANDONED WITHIN  
FOUR MONTHS AS UNWORKABLE WITHOUT A FURTHER CHANGE  
IN THE POLITICAL FRAMEWORK. SIMILARLY, ANDREOTTI'S  
DRAFT PROGRAM WAS LABELED TOTALLY INSUFFICIENT BY  
THE PCI AND CGIL UNTIL THE DC CONCEDED THE PCI  
ENTRY INTO THE GOVERNMENT MAJORITY. FROM THAT  
MOMENT ON, THE CRISIS WAS IN EFFECT ENDED WITH THE  
PCI AND CGIL ACCEPTING THE ANDREOTTI DRAFT PROGRAM  
WITHOUT FURTHER DISCUSSION. AND SINCE THE DC  
LEADERSHIP HAS ALSO APPARENTLY AVOIDED PINNING  
DOWN THE PCI ON SPECIFIC ISSUES (AS DEMANDED, FOR  
EXAMPLE, BY THE GROUP OF 100), IN EFFECT THE PCI  
HAS BEEN GETTING A FREE RIDE.

8. WHAT DID THE DC PRESERVE? FROM THE DC'S VIEWPOINT,  
THE COMPROMISE AVOIDS A POLITICAL COALITION OR ALLIANCE  
WITH THE PCI, THEREBY REMAINING TRUE TO THE DC'S  
ELECTORAL PROMISE. THE DC ARGUES --WITH SOME CREDIBILITY--  
THAT IT HAS ONLY MADE A TRUCE, NOT PEACE WITH THE PCI. GIVEN  
BERLINGUER'S INSISTENCE ON "EXPLICIT AND CONTRACTUAL"  
PCI PARTICIPATION IN THE GOVERNMENT MAJORITY AS AN  
"UNRENOUNCEABLE OBJECTIVE," THE DC HELD DOWN  
COMMUNIST GAINS TO A MINIMUM. THE ONLY ALTERNATIVE  
WAS THAT OF NEW ELECTIONS, A CHOICE A MAJORITY IN  
THE DC BELIEVE WOULD ONLY HAVE HASTENED THE HISTORIC  
COMPROMISE. AS PART OF THE BARGAIN, THE DC MAY HAVE  
RECEIVED INFORMAL ASSURANCES FROM THE PCI THAT IT  
WOULD SUPPORT A DC CANDIDATE FOR THE PRESIDENCY.  
HOWEVER, WHATEVER MAY HAVE BEEN DISCUSSED ON THIS  
SECRET

SECRET

PAGE 03 ROME 05498 03 OF 05 241417Z

POINT MAY NEVER BE KNOWN. IF THE DC CONCEDED PCI  
PARTICIPATION IN THE PARLIAMENTARY MAJORITY, IT HELD  
FIRM IN REJECTING PCI DEMANDS FOR THE REPLACEMENT  
OF DISLIKED DC MINISTERS BY "TECHNICIANS" SYMPATHETIC  
TO THE LEFT. THE DC THUS MINIMIZED THE APPEARANCE  
OF THE PCI'S "FORWARD STEP" BY DENYING THE  
COMMUNISTS THIS SIGN OF "VISIBLE CHANGE." WHILE

THE DC THEREBY PRESERVED INTERNAL, FACTIONAL UNITY, THE DC'S DECISION COULD BE ULTIMATELY COUNTERPRODUCTIVE SINCE IT PROVIDES THE LEFT PARTIES A BUILT-IN EXCUSE TO BLAME ANY INADEQUACIES OF THE NEW GOVERNMENT ON THE DC. IT IS LIKELY, HOWEVER, THAT THE LEFT WOULD ARGUE THAT EVEN A DC-TECHNICIAN GOVERNMENT WOULD HAVE BEEN INADEQUATE WHENEVER IT REGARDED THE MOMENT OPPORTUNE TO DEMAND "ANOTHER STEP."

9. THE SOCIALISTS AND LAY PARTIES: THE CRISIS PROVIDED FURTHER EVIDENCE THAT THE ABILITY OF THE SOCIALISTS AND MINOR LAY PARTIES TO CONDITION THE POLITICAL PROCESS IS ERODING RAPIDLY. THEY ARE INCREASINGLY NOCONSULTED OR INCLUDED IN MEETINGS ON A PRO FORMA BASIS, PROVIDING LEGITIMATING, "DEMOCRATIC" COVER FOR DC AND PCI ACCOMMODATION. THE DC AND PCI MAY UTILIZE POSITIONS TAKEN BY THE SMALL PARTIES TO THEIR ADVANTAGE (SUCH AS THE PSDI'S "REFUSAL" TO ACCEPT TECHNICIAN MINISTERS OR LA MALFA'S OPENING SALVO DEMANDING FULL PCI PARTICIPATION IN GOVERNMENT), BUT THEY HAVE NOT ALLOWED THE ATTITUDES OF THE MINOR PARTIES TO STAND IN THE WAY OF WHAT IS ESSENTIALLY A TWO-PARTY ACCORD. THUS, WHILE THE DC REGRETS THE LOSS OF POLITICAL COVER THAT THE SMALL LIBERAL PARTY PROVIDED ON ITS RIGHT, IT QUICKLY AND EXPEDIENTLY ABANDONED ITS DIRECTORATE POSITION REQUIRING CONTINUED PLI SUPPORT FOR ANY NEW AGREEMENT TO BE ACCEPTABLE. NONETHELESS, THE RESULTS OF THE CRISIS WERE NOT ALL NEGATIVE FOR THE MINOR PARTIES. ALL OF THEM (EVEN THE PLI

SECRET

NNN

SECRET

PAGE 01 ROME 05498 04 OF 05 241446Z  
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03  
NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06 EB-08  
COME-00 TRSE-00 DOE-15 SOE-02 OMB-01 /087 W  
-----120486 241510Z /43

R 241145Z MAR 78  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC 1560  
AMCONSUL FLORENCE  
AMEMBASSY BONN  
DIA  
AMCONSUL GENOA  
AMEMBASSY LONDON  
AMCONSUL MILAN

AMCONSUL NAPLES  
AMCONSUL PALERMO  
AMEMBASSY PARIS  
SHAPEUSNR  
USCINCEUR VAIHINGEN GERMANY  
USDOCOSOUTH  
USMISSION USNATO

SECRET SECTION 4 OF 5 ROME 5498

USDOCOSOUTH FOR INTAF

SHAPEUSNR FOR POLAD

NOTWITHSTANDING ITS DECISION TO GO INTO OPPOSITION)  
SECCEEDED IN ATTAINING THEIR PRIMARY OBJECTIVE--THE  
AVOIDANCE OF NEW ELECTIONS WHICH WOULD HAVE  
BEEN DISASTROUS FOR EACH. FOR THE CRAXI LEADERSHIP  
OF THE PSI, THE AVOIDANCE OF ELECTIONS WAS OF EVEN  
GREATER IMPORTANCE, SINCE THE RESOLUTION OF THE CRISIS  
WILL PERMIT THE CONVENING OF AN EARLY PARTY CONGRESS  
AT THE END OF MARCH WHICH IS VIEWED AS ESSENTIAL FOR

SECRET

SECRET

PAGE 02 ROME 05498 04 OF 05 241446Z

CRAXI'S SURVIVAL. THE DC, IN FACT, AT LEAST FORMALLY  
ASCRIBES GREAT SIGNIFICANCE TO THE CONGRESS AND  
CRAXI'S ABILITY TO BEAT BACK HIS CHALLENGERS AS  
THE KEY TO AN EVENTUAL POLITICAL RECONCILIATION  
BETWEEN THE DC, THE PSI AND THE LAY PARTIES.

10. HOW LONG WILL THE ARRANGEMENT LAST? THE NEW  
GOVERNMENT IS SUPPORTED BY ONE OF THE LARGEST PAR-  
LIAMENTARY MAJORITIES IN POSTWAR EXPERIENCE. IT  
RECEIVED THE FAVORABLE VOTES OF FULLY 545 OF THE  
578 PRESENT IN THE CHAMBER OF DEPUTIES. HOWEVER,  
THE GOVERNMENT'S LARGE MEASURE OF PARLIAMENTARY SUP-  
PORT REFLECTS POLITICAL EXIGENCY RATHER THAN GENUINE CONSENSUS  
OR ALLIANCE. IT IS THEREFORE IMPOSSIBLE TO PREDICT  
WITH ANY DEGREE OF ASSURANCE HOW LONG THE FOURTH  
ANDREOTTI GOVERNMENT MIGHT LAST. IT WAS CONCEIVED  
AS A FORMULA THAT WOULD PROVIDE FOR A GOVERNMENT  
AT LEAST THROUGH THE SIX-MONTH "WHITE PERIOD" PRECEDING  
THE ELECTION OF A SUCCESSOR TO PRESIDENT LEAONE NEXT  
DECEMBER (AND DURING WHICH PARLIAMENTARY ELECTIONS  
CANNOT BE HELD). HOWEVER, SUCH IS THE ATMOSPHERE OF  
UNCERTAINTY AND MISTRUST, THAT SOME POLITICIANS  
BELIEVE THE PCI MIGHT WELL DEMAND "A FURTHER STEP"  
BEFORE THE YEAR IS OUT. OTHERS, INCLUDING PROMINENT  
DC AND PCI LEADERS, PRIVATELY STATE THAT THE GOVERN-  
MENT'S DEMISE AND NEW ELECTIONS NEXT SPRING SHOULD

BE REGARDED AS BY NO MEANS INEVITABLE. IF THE FORMULA WORKS, THEY ASSERT, WHY SHOULDN'T IT BE CONTINUED?

11. FUTURE DEVELOPMENTS WILL DEPEND IN LARGE PART ON HOW THE TWO LARGE PARTIES COMPORT THEMSELVES OVER THE NEXT SIX MONTHS TO A YEAR. THE SOLIDARITY OF THE NEW ARRANGEMENT WILL BE TESTED NOT ONLY BY THE OUTCOME OF THE MORO KIDNAPPING BUT ALSO BY THE

SECRET

SECRET

PAGE 03 ROME 05498 04 OF 05 241446Z

ADMINISTRATIVE ELECTIONS SCHEDULED THROUGHOUT ITALY ON MAY

14. THESE ELECTIONS, POSTPONED IN PART AT PCI DEMAND LAST NOVEMBER, ARE TO INVOLVE ABOUT 10 PERCENT OF THE ELECTORATE AND WILL PROBABLY BE INTERPRETED AS A REFERENDUM ON THE NEW GOVERNMENT. THE DC'S PROSPECTS WILL DEPEND IN PART ON HOW EFFECTIVELY THE NEW GOVERNMENT WILL DEAL WITH THE TERRORIST CHALLENGE, THE MANAGEMENT OF THE ECONOMY, AND PRESSING SOCIAL ISSUES SUCH AS HEALTH AND EDUCATION REFORMS.

12. THE OUTLOOK: IN SUM, THE NEW GOVERNMENT FORMULA REPRESENTS A SIGNIFICANT ADVANCE FOR THE PCI, THOUGH CONSIDERABLY LESS THAN THEY ASKED FOR. MOREOVER, THE LATEST PCI ADVANCE WAS ACCOMPLISHED BY A SINGULAR LACK OF ALARMIST REACTION IN THE COUNTRY. WITH THE EXCEPTION OF MINOR TOUCH-UPS (INTRODUCTION OF TECHNICIAN MINISTERS, ETC.), HOWEVER, THE COMPROMISE IS PROBABLY THE LAST THAT COULD BE NEGOTIATED BY-TWEEN THE PARTIES AND ACHIEVED WITHOUT RECOURSE TO NEW ELECTIONS. THE NEXT STEP, FULL PARTICIPATION IN A GOVERNMENT COALITION--THE HISTORIC COMPORMISE--WOULD ALMOST CERTAINLY HAVE TO BE PRECEDED BY NEW ELECTIONS AND, FOR THE DC, SANCTIONED BY A NATIONAL PARTY CONGRESS. IT REPRESENTS, BOTH QUANTITATIVELY AND QUALITATIVELY, A MUCH MORE DIFFICULT AND POLITICALLY MOMENTOUS STEP. WHEREAS A CONSENSUS COULD BE ACHIEVED (ALBEIT NOT WITHOUT DIFFICULTY) ON THE NEED TO ACCEPT THE PCI IN THE GOVERNMENT MAJORITY, RESISTANCE WITHIN THE DC TO THE HISTORIC COMPROMISE WILL NOT EASILY BE OVERCOME.

13. THE POLITICAL PROCESS COULD BE DRAWN OUT, HOWEVER.

SECRET

NNN

SECRET

PAGE 01 ROME 05498 05 OF 05 241455Z  
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03  
NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06 EB-08  
COME-00 TRSE-00 DOE-15 SOE-02 OMB-01 /087 W  
-----120582 241503Z /45

R 241145Z MAR 78  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC 1561  
INFO AMCONSUL FLORENCE  
AMEMBASSY BONN  
DIA  
AMCONSUL GENOA  
AMEMBASSY LONDON  
AMCONSUL MILAN  
AMCONSUL NAPLES  
AMCONSUL PALERMO  
AMEMBASSY PARIS  
SHAPEUSNR  
USCINCEUR VAIHINGEN GERMANY  
USDOCOSOUTH  
USMISSION USNATO

S E C R E T SECTION 5 OF 5 ROME 5498

USDOCOSOUTH FOR INTAF

SHAPEUSNR FOR POLAD

WHILE THERE IS ALREADY TALK OF A SHOWDOWN ELECTION  
NEXT SPRING, THIS IS BY NO MEANS CERTAIN. THOUGH THE  
DC WOULD PROBABLY DO WEVV IN A POLLING, DC LEADERS  
ARE BY NO MANS CLEAR THAT NEW ELECTIONS WOULD PRODUCE A  
WORKABLE NON-COMMUNIST MAJORITY. IF, AS MANY EXPECT, ELECTIONS  
DO NOT RESOLVE THE POLITICAL STALEMATE, THE DC WOULD  
BE UNDER GREAT PRESSURE TO OVERCOME ITS OPPOSITION  
TO PCI PARTICIPATION IN THE CABINET IN RODER TO FORM  
SECRET

SECRET

PAGE 02 ROME 05498 05 OF 05 241455Z

A WORKABLE AND STABLE GOVERNMENT. GIVEN THE LACK OF  
REALISTIC ALTERNATIVES, THE DC APPEARS TO BE TAKING  
AN INCREASINGLY FATALISTIC VIEW OF THE ULTIMATE  
NECDMSITY OF SHARING FORMAL POWER WITH THE COMMUNISTS.  
IF SO, ITS LEADERS MAY TRY TO SEEK MORE TIME TO PRE-  
PARE THE ELECTORATE (AS WELL AS ITALY'S ALLIES AND  
ECONOMIC PARTNERS) FOR SUCH A DRAMATIC STEP, SEEKING  
TO MINIMIZE ITS DELETERIOUS EFFECTS.

14. MUCH, OF COURSE, CAN HAPPEN IN COMING MONTHS TO  
INFLUENCE THE FUTURE TREND OF EVENTS IN UNPREDICTABLE  
WAYS. WHILE THE TREND IS TOWARD EVER GREATER DC-PCI

ACCOMMODATION, APOLITICAL ALLIANCE BETWEEN THE TWO LARGE PARTIES IS BY NO MEANS INEVITABLE. THE SOCIALISTS AND LAY PARTIES, FOR EXAMPLE, COULD COME TO A DETERMINATION THAT THEIR INTERESTS COULD BEST BE SERVED IN A NEW PARTNERSHIP WITH THE DC. BUT THE CHANCES FOR SUCH A DEVELOPMENT, AT LEAST ON THE SHORT-TERM, ARE CERTAINLY LESS THAN 50-50. IF THE DC IS SUCCESSFUL, HOWEVER, IN FORESTALLING COMMUNIST PRES-SURES (AND HERE THE PCI'S CAPACITY TO CONTAIN STRONG INTERNAL PRESSURES FOR ADVANCEMENT MUST BE QUESTIONED) BY ARGUING THAT MORE TIME IS NEEDED TO AVOID DEEP DIVISIONS WITHIN THE COUNTRY, THE ADDITIOANL TIME COULD SERVE TO CONSOLIDATE THE PERCEPITBLE CONSERVATIVE TREND IN THE COUNTRY. WHILE THE DC HOPES IT CAN BUY TIME, ITS CURRENT FEAR IS THAT IT MAY BE FORCED EARLIER BY THE PRESSURES OF TERRORISM, PUBLIC DISORDER, OR ECONOMIC DISLOCATION INTO AN EMERGENCY GOVERNMENT WITH THE PCI. GARDNER

SECRET

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SPHERE OF INFLUENCE, INTELLIGENCE ASSESSMENTS, CENTRAL GOVERNMENT, COMMUNISTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 mar 1978  
**Decapton Date:** 01 jan 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ROME05498  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780130-0579  
**Format:** TEL  
**From:** ROME  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780328/aaaaaxiq.tel  
**Line Count:** 619  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** eded37be-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** SECRET  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 12  
**Previous Channel Indicators:** n/a  
**Previous Classification:** SECRET  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 18 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3211685  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EVALUATION OF THE NEW GOVERNMENT SUMMARY: THE PARTICULAR FEATURE OF THE NEW ONE-PARTY ANDREOTTI GOVERNMENT IS THAT FOR THE FIRST TIME SI  
**TAGS:** PINT, PGOV, IT  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/eded37be-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014